
KITTITAS COUNTY PROFILE
JUNE 1998

Labor Market and Economic Analysis Branch
Employment Security Department

This report has been prepared in accordance with
RCW 50.38.050.

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INTRODUCTION

This report profiles the labor and economic characteristics of Kittitas County. It was prepared by the Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department and is one in a series that profiles labor market and economic conditions in each of Washington's 39 counties.

The profile is designed to assist state and local planners in developing local economic strategies. It is also an effective tool for answering labor market and economic questions frequently asked about the county. Readers with specific information needs should refer to the *Table of Contents* or to the *data appendix* to more quickly access those sections of particular interest to them.

Like the earlier Kittitas County Profile of September 1994, the purpose of this report is to provide a comprehensive labor market and economic analysis of Kittitas County. Characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends
- industries, employment, and earnings
- skills and occupations
- economic development and job training

Much of the information in this report is regularly updated on the LMEA Internet homepage. The homepage contains current and historical labor market information and can be accessed by area or by type of information. The site address is:

<http://www.wa.gov/esd/lmea>

Any inquiries or comments about information in the profile should be directed to the Labor Market and Economic Analysis Branch.

GEOGRAPHY

Kittitas County is located east of the Cascade Range in the geographical center of the state. It is bounded to the north by Chelan County, to the south by Yakima County, and to the west by Grant County. The Pacific Crest Trail, high in the Cascade Range, forms its boundary to the east with King County.

Comprising a geographic area of 2,308 square miles, Kittitas County ranks eighth in size among Washington counties. As such, it accounts for almost 3.5 percent of the state's total land mass.

The topography of Kittitas County is fairly straightforward. As part of the southern extension of the Wenatchee National Forest, the terrain in the county's northwest corner is rugged and heavily forested wilderness. However, at higher elevations, one also discovers a series of major rivers carrying precipitation

and snow-melt out of the Cascades and into the Kittitas Valley. The Cooper and Wapatus rivers feed into the Cle Elum River while the North, West, and Middle forks feed into the Teanaway River. Descending out of the mountains, the Cle Elum and Teanaway rivers then feed into the Yakima River which flows across the remaining expanse of the county (including Ellensburg) before winding south into Yakima County.

Extending from the Cascade Range are the Wenatchee Mountains, which run the length of the county's northern border. From these mountains run the Naneum and Caribou creeks, both of which eventually join the Yakima River south of Ellensburg. And to the south, the Saddle Mountains and the Manastash and Umtanum ridges form a physical barrier that runs east and west to form the county's southern border with Yakima County.

ECONOMIC HISTORY

To this day, there exist numerous explanations as to the origin and derivation of Kittitas County's name. The term "Kittitas" has been said to mean everything from white chalk to shale rock to shoal people to land of plenty. Most anthropologists and historians concede that each interpretation has some validity depending upon the particular dialect spoken.

Whatever the case, the county was organized in November of 1883 by the Washington Territorial Legislature and signed into law by Territorial Governor W.A. Newell. It was partitioned from what was then the northern part of Yakima County.

Though fragmented, evidence of Native American inhabitants in Kittitas Valley dates far back. It is known for certain that as early as the 1700s, the Psch-wan-wap-pams—early forerunners of the contemporary Yakama Nation—occupied the entire stretch of land along the Yakima River, including the Kittitas Valley. The Indians who inhabited the valley were known as the Kittitas or Upper Yakama Indians, both being part of the larger Yakama Nation.

During the spring, the Kittitas Valley was one of only a handful of valleys in the state where tribes could dig for roots such as camas (also known as kamas or quamash) and kouse, both of which were staples in the Indian diet. For this reason, the Kittitas Valley was a traditional gathering place for tribes east of the Cascades. During the fall, local tribes supplemented their diet by gathering wild berries, as well as hunting and fishing.

With the advent of white settlement, the once formidable Native American tribes of the Kittitas Valley were dislocated and began to disperse. The tribes initially relocated to both the Yakima Valley and lower valleys. Eventually, they were moved onto the Yakama Indian Reservation.

By the early 1860s, the first white settlers began arriving in the Kittitas Valley. They brought with them the seeds of many fledgling industries. These included livestock raising, crop farming, dairying, logging, lumber processing, and mining.

Not surprisingly, the abundant bunchgrass and clear streams of the Kittitas Valley gave rise to a prosperous cattle industry. Much of this success was adumbrated by local Indians who, before the advent of white settlement, grazed horses in the valley and sold them to neighboring

tribes and white explorers and traders. As early as 1861, white ranchers from the Yakima Valley grazed their cattle in the Kittitas Valley before continuing on to booming mine districts in the north-central region and British Columbia. The mining towns eventually began raising their own cattle, but Puget Sound demand filled the vacuum (the cattle were herded to the sound through Snoqualmie or Naches Pass).

By the late 1860s, cattle ranchers established land claims in Kittitas itself. Over the next ten years, especially in the late 1870s, new ranches flourished and large herds of cattle (though not all local) grazed everywhere. The resulting over production led to declining beef prices. Prices, however, rose to earlier levels after the severe winter of 1880-81 killed more than half the cattle. Although cattle herds eventually returned to early levels, overgrazing was beginning to take its toll on the range. As a result, the federal government began to regulate grazing in 1897. This led to a gradual shift from open grazing to fenced pastures and hay feeding (the ravaging effects of the 1889-90 winter laid to rest whatever protests there were to the shift).

Two events—better rail transportation around the turn of the century and irrigation projects in the 1930s—helped expand the county's cattle industry. The railroads provided more effective transport of cattle to the nation's eastern markets. Irrigation projects enhanced the quality of pastures and spurred the growth of row crops, whose by-products were converted into inexpensive cattle feed. By the 1960s, the number of Kittitas County cattle had more than doubled to approximately 70,000. However, price controls and rising feed costs in the early 1970s prompted many ranchers to change from cattle to hay and grain production.

The early pioneers who began farming did so primarily to sustain their families. Among the first crops they planted were grains such as wheat, vegetables such as corn and peas, and fruits such as apples, cherries, pears, plums, prunes and peaches. Notable growth in the farm sector came in the wake of railroad expansion and the Homestead Act of 1862, both of which prompted migration into the county.

The first wheat crop in Kittitas Valley was planted in 1868. At that time, wheat was harvested entirely by hand using homemade scythes and flails to cut and thresh the

stalks. Production increased more rapidly after 1877, as the horse-pulled thresher was introduced into the valley. Earlier that decade, the county's first flour mill was established near Ellensburg. It was quickly followed by four others. Although the county's yellowish flour was deemed suitable only for local consumption and for trade with the Orient, wheat production grew annually until the turn of the century. At their peak, county farmers harvested approximately 600,000 bushels of wheat from 20,000 acres. In fact, farming success prompted representatives of the cattle industry to ask Governor Eugene Semple to seek federal intervention as they felt the cattle industry was being unfairly displaced.

The Kittitas Valley is also known for its hay production. Early settlers harvested hay to sustain domestic livestock through the winter. As with grain, they used hand-held scythes and, later, horse-drawn mowers to cut the hay and pitchforks to stack it. As cities and industries employed horses as the principle source of draftwork, the demand for hay soared. Seattle, Tacoma, and other Puget Sound cities needed thousands of tons of hay to feed workhorses, as did the state's lumber and mining companies. Hay production was becoming a big business. As a result, county hay farmers constantly modified and upgraded the harvesting and baling machinery and processes to increase their productivity. By the 1920s, however, cities and industries had largely evolved from horses to combustible engines, and Kittitas County and other central and eastern Washington producers felt the adverse effects of the transition. Only the return of horseracing in the 1930s and pleasure horses in the 1950s have helped to sustain the county's hay industry. Today, Kittitas County hay is marketed to numerous states across the country, including Kentucky, as well as Pacific Rim and European nations.

The county's logging and lumber industries were established in the early 1870s, fueled primarily by two factors: in-migration of settlers who needed lumber to build homes and railroads that needed wooden ties to expand their spurs. Most of the logging was concentrated in the western end of the county. Logging camps sprang up along the shores of the county's three large lakes—Cle Elum, Kachess, and Keechelus. Most of the year, harvested timber was hauled from the forest to the riverbank on greased skids or by wagons with horse-teams. During the winter, sleds were substituted for wagons. The spring thaw and subsequent rising river level saw logs floated down river to mills in Ellensburg and Yakima.

Sawmills sprang up wherever access to timber existed. The first sawmill in Kittitas County was established

in the early 1870s near Ellensburg. Others followed, and by 1889 there were seven mills operating in the valley (more were started through the turn of the century). Like the logging companies, the sawmills prospered as settlers built homes and as the railroads expanded their lines.

By the turn of the century, major logging companies such as the Cascade Company had overtaken many smaller independent groups of loggers (though they eventually phased out their crews in order to contract work to gypso loggers). The steam-donkey had taken the place of the horse-team and skids. And the downriver log drives had been phased out in favor of logging railroads which, in addition to being safer, extended far beyond the river and up to the logging sites. After World War II, the logging railroads were themselves decommissioned as pneumatic tires made logging trucks and logging road construction more practical.

In the early 1880s, coal and mineral activities got underway in the Cle Elum River Valley and the surrounding mountains. Homesteaders first discovered coal in 1883. Early miners extracted the fossil fuel with picks, hoisted it from shafts by basket and rope, and shoveled it onto wagons by hand. Mules and muleskinners were later introduced to replace rope and baskets. These methods were suitable as the coal was primarily for local use. In 1886, however, the Northern Pacific Company began to actively develop the region's coal deposits. By year's end, a rail had been laid to Cle Elum and Roslyn and the first shipment of coal (1,500 tons) soon made its way to markets of the west. At the turn of the century, several large coal concerns were mining in excess of a million tons of coal annually. Production peaked in the 1920s as companies introduced modern extractors, loaders and conveyors, and electric locomotives. Mining subsided in the face of competition from oil in the 1930s.

Even before the discovery of coal, prospectors flocked to the region searching for precious metals and ores. Efforts centered around gold, but silver, copper, lead, iron, chromium, mercury, manganese, molybdenum, nickel, and antimony were also present. Local prospectors first discovered gold around Swauk Creek in 1867, but their find was greeted with skepticism by townsfolk. The party found more gold in 1873 and proceeded to establish the Swauk Mining District and mining laws. News of the activity leaked, precipitating a gold rush into the county. Although the original boom fizzled after a year or two, new and rediscovered finds in the late 1870s initiated another rush. By 1884, the pace of activity was such that miners opted to reorganize the mining district,

administering it under federal as opposed to local laws (the miners would revert back to local laws in 1905). Mining activity continued at this accelerated pace until peaking during the 1930s.

Interest in reopening mines has surfaced periodically since that time, but the cost of smelting and transporta-

tion, combined with the inability to find rich veins, has discouraged activity. The Swauk Mining District remains organized (under federal and state laws) to this day, but mine activity is nonexistent.

POPULATION

The Office of Financial Management has estimated the population of Kittitas County for 1997 at 31,500. The

1990 Census was the last actual head-count, when the number of residents was 26,725 (see Figure 1).

Trends

Population changes are important socioeconomic indicators. People are relocating for jobs or moving away from traffic and congestion. For the years 1970-97, the population of Kittitas grew from 25,039 to 31,500 or 26 percent. Ninety-three percent of this growth occurred in the last 11 years, with the numbers climbing from 25,400

to 31,500. The growing demand for space and lower housing costs are associated with the increase in population over this period. Evidently, people are willing to traverse Snoqualmie Pass in exchange for country living.

In comparison to the overall state population, Kittitas County's population has grown slowly. While the state's population grew 64 percent from 1970-97, Kittitas County only had negligible growth through 1987. However, from 1987-97, the county grew at the same rate as the state (24 percent).

Population change is a result of two factors: (1) Natural change; i.e., births versus deaths. The pattern of natural change normally is altered only by major socioeconomic occurrences, like the Great Depression and the aftermath of World War II, both of which resulted in significant changes to the nation's birth rate. (2) Migration is the second factor and it can give insight into an area's economic trend. Kittitas County's natural change remained fairly constant compared to its migration figures, which underwent drastic changes. From 1980 through 1997, Kittitas County's population increased by 1,735 as a result of natural change: 5,401

Figure 1
Population Trend
Kittitas County, 1970-1997
Source: Office of Financial Management

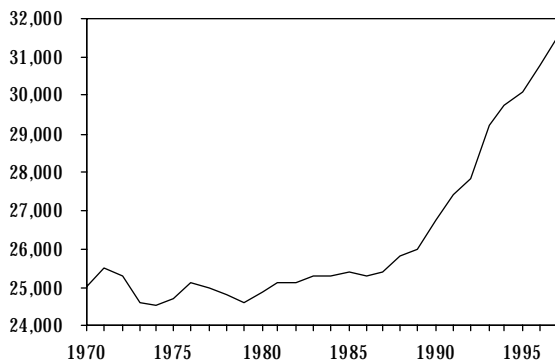


Figure 2
Population Trend
Kittitas County and Washington, 1970-1997
Source: Office of Financial Management

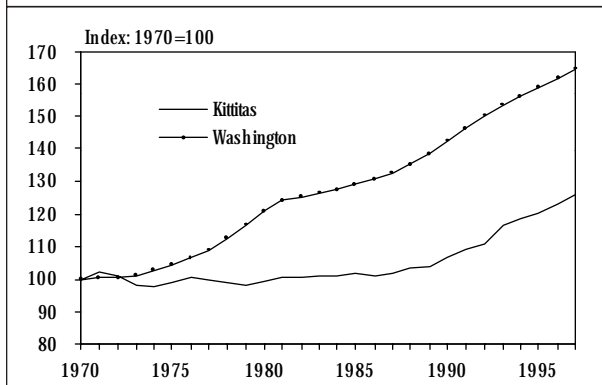


Figure 3
Components of Population Change
Kittitas County, 1980-1997
Source: Office of Financial Management

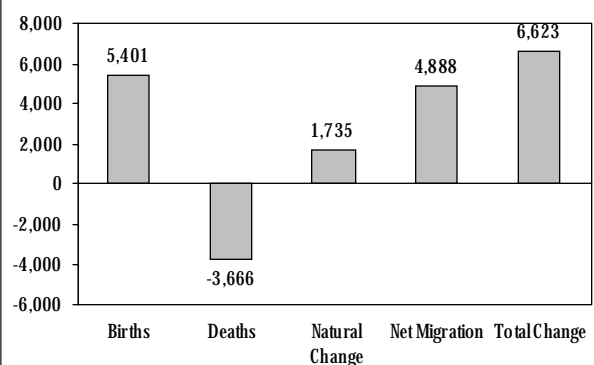
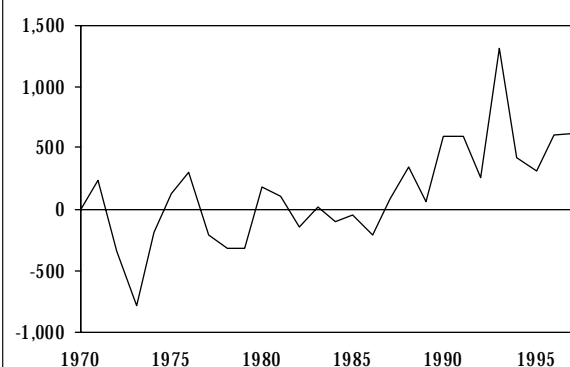


Figure 4
Net Migration
Kittitas County, 1970-1997
Source: Office of Financial Management



births and 3,666 deaths (*see Figure 3*). On the other hand, net migration added 4,888 residents, bringing the total population increase to 6,623. It has been only in the last 10 years that in-migration has become a major factor in the county's population growth (*see Figure 4*).

Towns and Cities

In 1997, 57 percent of Kittitas County residents lived in incorporated areas and 43 percent lived in unincorporated areas. The unincorporated areas grew 30 percent from 1990-97 while the incorporated areas grew only 10 percent.

All towns within the incorporated areas had population increases. Kittitas had the highest growth at 33 percent. Cle Elum had the lowest at 1 percent. Ellensburg, the county's largest city, witnessed 10 percent growth (*see Figure 5*).

Figure 5
Population of Cities, Towns, and County
April 1, 1990 to April 1, 1997
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996	1997	% Chg 1990-97
Kittitas County	26,725	27,400	27,800	29,200	29,700	30,100	30,800	31,500	17.9%
Unincorporated	10,418	10,814	11,276	12,260	12,612	12,841	13,249	13,534	29.9%
Incorporated	16,307	16,586	16,524	16,940	17,088	17,259	17,551	17,966	10.2%
Cle Elum	1,778	1,780	1,785	1,785	1,785	1,800	1,800	1,795	1.0%
Ellensburg	12,360	12,569	12,439	12,770	12,860	12,990	13,210	13,600	10.0%
Kittitas	843	902	945	1,010	1,060	1,032	1,095	1,120	32.9%
Roslyn	869	870	875	885	885	936	936	936	7.7%
South Cle Elum	457	465	480	490	498	501	510	515	12.7%

Age Groups

The population distribution among various age groups discloses population aspects not revealed by the overall numbers. *Figure 6* on the next page shows Kittitas County and Washington's population categorized by age group

share size. These age groups are significant if based on the following assumptions:

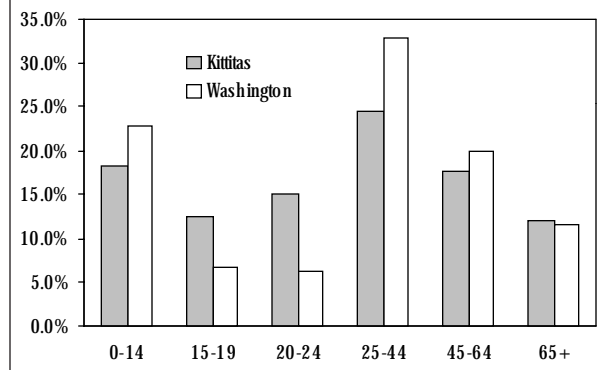
- 0-14 - Infants or adolescents a decade or two removed from the labor force

- 15-19 - Prospective new entrants into the labor force, except college students
- 20-24 - New entrants into the labor force
- 25-44 - Workers in their prime years of work productivity
- 45-64 - Mature workers with years of accumulated skills and experience
- 65+ - Retirees

The age groups 15-19 and 20-24 provide the most striking contrast between Kittitas County and Washington State. The presence of Central Washington University in Ellensburg and its younger population account for this difference. However, with limited job opportunities in Kittitas County, the bulk of these college students will likely move to other areas upon graduation. As a result, Kittitas County's share size of the 25-44 age group is lower than that of Washington State's. Because the 25-44 age group is the largest one having children, Kittitas County's 0-14 age group also remains small compared to the state.

In Kittitas County, the median age (i.e., the age at which half the population is younger and the other half older) decreased from 30.1 years in 1990 to 29.2 years in 1997 while Washington State's increased from 33.0 to 34.6

Figure 6
Population by Age Group
Kittitas County and Washington, 1997
Source: Office of Financial Management



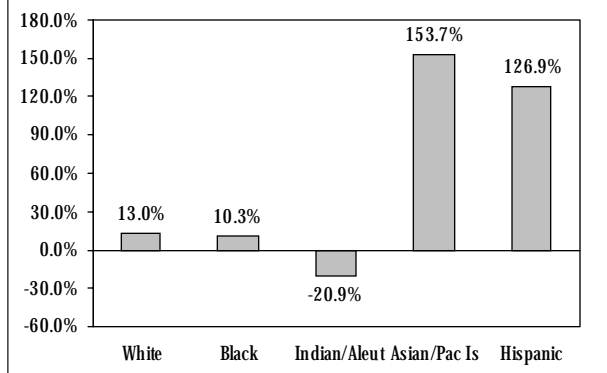
years. The strong in-migration mentioned earlier (migrants tend to be relatively young) coupled with the large student population keep the median age quite low. The county's median age is second lowest in the state; only Whitman County, home of WSU, has a lower one.

Demographics

Based on the 1996 estimates, there are substantial differences between the county and the state's racial/ethnic population. Ninety-four percent of the Kittitas County population is white, a percentage greater than the state's 89 percent. Compared to the state's average, minorities represent a smaller portion of the Kittitas County population. Asian/Pacific Islanders comprise the second largest race in both Kittitas County (4.0 percent) and Washington State (6.2 percent). Native Americans comprise 0.6 percent of the county and 2.0 percent of the state. Blacks constitute 0.6 percent of Kittitas County versus 3.5 percent statewide. People of Hispanic origin, who can be of any race, make up 5.0 percent of Kittitas County compared to 6.1 percent of Washington State.

Although Kittitas may be predominantly white, the non-white racial groups are growing faster. The number of non-whites grew 83 percent while whites grew 13 percent between 1990 and 1996 (see Figure 7).

Figure 7
Population Change
Kittitas County, 1990-1996
Source: Office of Financial Management



CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively looking for work. This excludes those serving in the armed forces. Like the general population, the labor force can be seen

as an economic indicator. Because such measures as gross domestic product or gross state product are not available at the county level, labor force and employment growth or contraction, particularly for smaller counties, can serve as a proxy for GDP or GSP. In 1997, the labor force in Kittitas County was estimated at 15,380.

Trends

Figure 8 displays the size of the county's labor force from 1970 to 1997. In all, the labor force grew by 49 percent during the period (statewide growth was 111 percent). The majority of that growth, however, occurred during the late-1980s and 1990s.

The 1970s had a dampening effect on the labor force. National recessions in 1970 and 1973-75 constrained growth, and the work force actually fell in size from 10,340 in 1970 to 9,680 in 1977. Following strong

growth in 1978 and 1979, the national economy again put a drag on expansion. The "double-dip" recessions of 1980 and 1981-82 caused another decline, but that was followed by a sharp increase (of 1,400) in 1983. For four years, the size of the labor force stagnated with only minor fluctuations. In 1987, real growth began. With annual increases averaging 3.1 percent, the labor force jumped from 11,320 in 1987 to its 1997 level of 15,380. By way of contrast, the statewide labor force grew 2.8 percent per year on average during that time frame.

Figure 8
Civilian Labor Force
Kittitas County, 1970-1997
Source: Employment Security Department

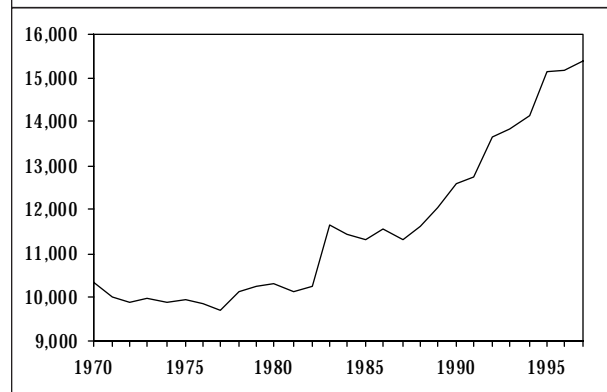
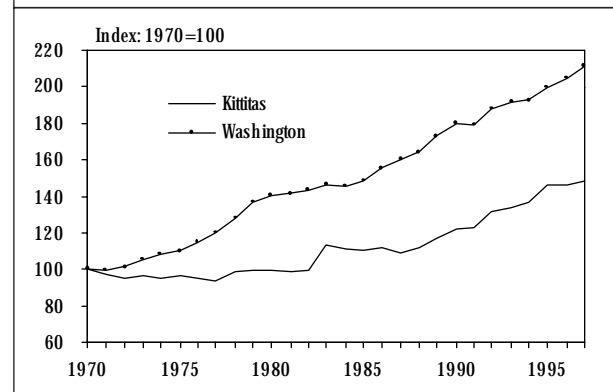


Figure 9
Civilian Labor Force
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Demographics

Like the population at large, the labor force in Kittitas County is primarily white. In fact, it is 91 percent white (1996 estimates). Of the 15,020 persons in the 1996 labor force, 13,700 were white, 30 were black, 100 were

Native American, 380 were Asian/Pacific Islander, and 800 were of Hispanic origin. Unlike the population demographics in the last section, this data set includes Hispanic origin, a separate race rather than included with

other races. Consequently, it would be more accurate to refer to the other races as “non-Hispanic whites,” “non-Hispanic blacks,” “non-Hispanic native Americans,” etc.

The population is split evenly between males and females; the labor force is also almost evenly divided, with about 53 percent of the workers being male and 47 percent being female. Statewide, males constitute about 55 percent of the work force, females 45 percent.

A closer look at the type of work performed, though, gives a different picture. Unfortunately, the only source of data for this type information is the 1990 Census, which is dated. Even so, the information remains of interest. Of people who worked full time, 63 percent were male and

37 percent were female (1990). Of people who worked part time, 46 percent were male and 54 percent were female. (These percentages for Kittitas County almost exactly equal the statewide percentages.) The women in the labor force were still concentrated more in part-time employment than men.

This, however, changed during the previous decade. Comparing the 1980 Census figures with those from 1990 showed that the number of women working full time increased by 25 percent while the number of men working full time grew by 6 percent. It will be interesting to see what changes are recorded in the 2000 Census.

Figure 10
Resident Labor Force, Employment and Unemployment by Sex, and Minority Status
Kittitas County, 1996 Annual Average
Source: Employment Security Department

Sex and Minority Status	Labor Force	Percent Distribution	Employed	Percent Distribution	Unemployed	Percent Distribution	Unemployment Rate
Total	15,020	100.0%	13,710	100.0%	1,310	100.0%	8.7%
White	13,700	91.2%	12,570	91.7%	1,130	86.3%	8.2%
Black	30	0.2%	10	0.1%	20	1.5%	66.7%
Native American	100	0.7%	70	0.5%	30	2.3%	30.0%
Asian & Pacific Islander	380	2.5%	330	2.4%	50	3.8%	13.2%
Hispanic	800	5.3%	710	5.2%	90	6.9%	11.3%
Non-white	1,310				190		14.5%
Female Total	7,080	100.0%	6,370	100.0%	710	100.0%	10.0%
White	6,500	91.8%	5,930	93.1%	570	80.3%	8.8%
Black	20	0.3%	---	---	20	2.8%	100.0%
Native American	40	0.6%	10	0.2%	30	4.2%	75.0%
Asian & Pacific Islander	130	1.8%	130	2.0%	***	---	---
Hispanic	390	5.5%	300	4.7%	90	12.7%	23.1%
Female Percent of Total	47.1%	---	46.5%	---	54.2%	---	---
Males	7,940				600		7.6%

All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.

Race estimates are based on 1990 Census and 1996 population data from the Office of Financial Management.

Detail may not add to indicated totals because of rounding.

**** Indicates less than 10.*

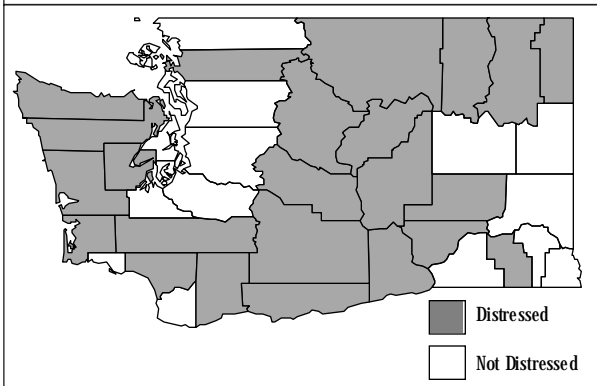
UNEMPLOYMENT

As mentioned earlier, the civilian labor force consists of those who are working and those who are not working but are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively looking for work. The unemployed do not include retirees, persons in institutions, or those who have come to be known as “discouraged workers,” i.e., persons who would like to work but who are not actively searching for a job. None of these groups of people are included in the unemployment figures because they are not looking for work.

At the national level, the unemployment rate is determined by a regularly recurring survey of households. At the local level, the state’s portion of this household survey is integrated and merged with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates for the state and the counties.

Figure 11 shows the counties in Washington that are considered to be distressed, that is, they have unemployment rates 20 percent higher than the statewide average for three consecutive years. Kittitas County is included

Figure 11
Distressed Counties
Washington State, 1997
Source: Employment Security Department



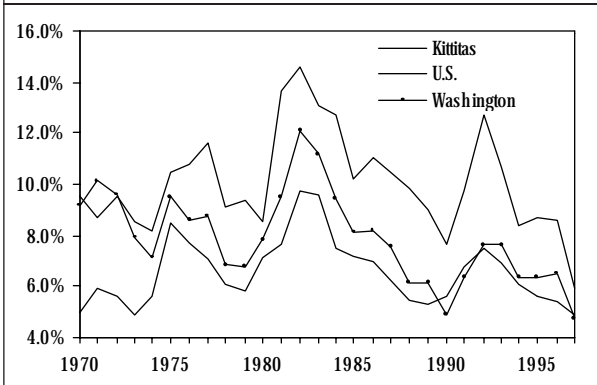
among the distressed counties, making it eligible for some preference in bidding for government contracts. In 1997, Kittitas County had 6.0 percent of its labor force idle and the average of its most three recent years came in at 7.7 percent. Washington’s average for the last three years was 5.9 percent.

Trends

In 1971 the unemployment rate in Kittitas County was less than the overall rate for Washington State. That was the last time. Over the period shown in Figure 12, the difference between the two has averaged about 2 percentage points but was as high as 5.1 points in 1992. Since then, unemployment in both the state and in the county has decreased. In 1997, the rate in Kittitas County was 6.0 percent, the lowest it has been since at least 1970.

As can be seen from the chart, unemployment in the county is linked to statewide and national trends. Even though the county’s rate is greater than that of the state and nation, the peaks and troughs for all three occur in tandem. Kittitas County hit unemployment peaks during or soon after the national recessions of 1970, 1973-75, 1980, 1981-82, and 1990-91. Declines in unemployment came with the recoveries and expansions following the recessions.

Figure 12
Unemployment Rates
Kittitas, Washington, & U.S., 1970-1997
Source: Employment Security Department



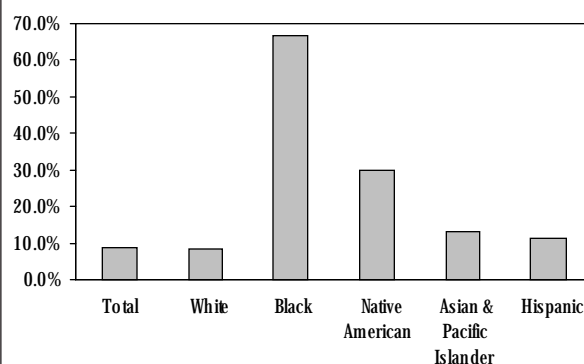
Unemployment figures for the last four years have been moderate to good with none averaging in the double-digit range. Although the current rate is sufficiently high to put the county on the distressed list, it is lower than it has been in over 25 years. Also, the 1997 rate for Kittitas (6.0 percent) is lower than the 1996 statewide rate (6.5 percent). Kittitas County remains on the distressed list because the 1997 statewide unemployment rate was at its lowest point since at least 1966, 4.8 percent.

Relatively low unemployment now is not surprising. The county itself has been experiencing job growth, and commuters, who make up a substantial number of Kittitas County workers, are finding work in neighboring areas. Excellent jobs prospects in adjacent King County have resulted in a spectacularly low unemployment rate, undoubtedly luring many Kittitas County residents to work there.

Demographics

With the number of non-whites in the labor force being as small as it is in Kittitas County, it is difficult to find significance in unemployment rates by race. Nevertheless, 1996 estimates made by Employment Security Department analysts found that non-whites (including those of Hispanic origin) had considerably more unemployment than whites. With an overall unemployment rate of 8.7 percent that year, non-whites had 14.5 percent unemployment while whites were at 8.2 percent. While the rate for blacks was astonishingly high, estimates were that there were only 30 blacks in the labor force, 20 of whom were jobless. *Figure 13* shows the rates for all races. The unemployment rate for females was 10.0 percent; for males, 7.6 percent.

Figure 13
Unemployment by Race & Hispanic Origin
Kittitas County, 1996
Source: Employment Security Department



Unemployment Insurance Claims

When deriving unemployment figures, one of the key factors in the computation is the number of people who file claims for unemployment insurance benefits. *Figure 14* on the next page lists, by occupation rather than industry, the number of people who filed claims between July 1, 1996 and June 30, 1997, in Kittitas County and Washington State.

The percentage of claims coming from the various occupational groupings in Kittitas County is not far removed from the percentages at the statewide level. The largest percentage in both areas comes from people in-

involved in structural work (primarily construction occupations). Service, professional, agricultural, and clerical occupations also had relatively large shares of the total. Proportionally, quite a few more agricultural workers filed claims in Kittitas County than statewide, while professional occupation claimants were greater statewide. Truck drivers filed claims at a higher rate in the county than statewide, and sales jobs had fewer claimants in the county (proportionally). Kittitas County had a greater share of claimants in the "blue-collar" grouping, but not significantly so.

Figure 14**Unemployment Insurance Claimants****Kittitas County and Washington State, July 1, 1996 - June 30, 1997****Source: Employment Security Department**

	Kittitas County		Washington State	
	Claimants	Percentage	Claimants	Percentage
Structural work	342	18%	58,241	18%
Service	263	14%	35,927	11%
Professional/technical/managerial	220	12%	54,030	17%
Agriculture, forestry, and fishing	216	12%	25,950	8%
Clerical	210	11%	38,118	12%
Packaging and material handling	160	9%	28,263	9%
Motor freight and transportation	160	9%	16,798	5%
Processing	117	6%	16,134	5%
Machine trades	80	4%	16,753	5%
Sales	57	3%	17,598	6%
Miscellaneous, NEC	29	2%	5,503	2%
Benchwork	14	1%	9,434	3%
Total	1,868	100%	322,749	100%
White-Collar*	750	41%	145,673	46%
Blue-Collar*	1,089	59%	171,573	54%

**Miscellaneous/NEC occupations excluded*

INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs that are conducted in Washington by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the Quarterly Employment and Wages pro-

gram (ES-202), includes data on both agricultural and nonagricultural employment covered under the state unemployment insurance program. All wage data and agricultural employment data in this section stem from the Employment and Wages program; other employment information comes from the CES program.

Employment Trends

Figure 15 displays nonagricultural employment in Kittitas County from 1970 through 1997. Since 1970, the county added 4,310 new jobs, an increase of 54 percent. This growth must be considered slow or moderate; by way of comparison, statewide nonagricultural employment grew by 133 percent over the same time. *Figure 16* indexes the employment figures to 1970=100 and compares the county to Washington. Not only has the number of jobs in the state grown faster, the difference between the two has been gradually increasing. The

annualized average growth rate in Kittitas has been 1.6 percent since 1970 and 3.2 percent statewide.

Growth tended to be quite slow and halting through the 1970s and mid-1980s. Actual decreases occurred in 1971, 1981-82, and 1986. Since 1986, though, there has been growth each year: in fact, of the 4,310 new jobs created since 1970, 3,340 were added since 1986. The 1990-91 national recession seems to have had no effect on county job growth. The county has averaged 3.1 percent annual growth over the last ten years.

Figure 15
Nonagricultural Wage & Salary Employment
Kittitas County, 1970-1997
Source: Employment Security Department

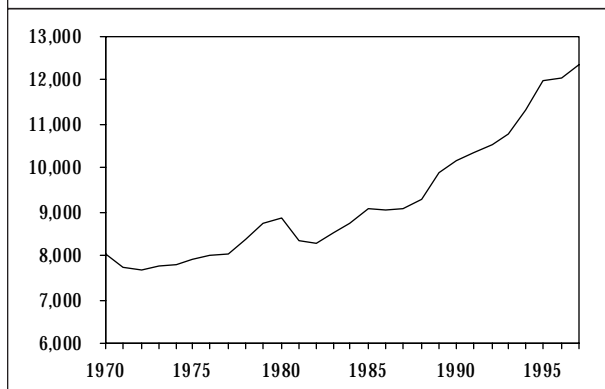
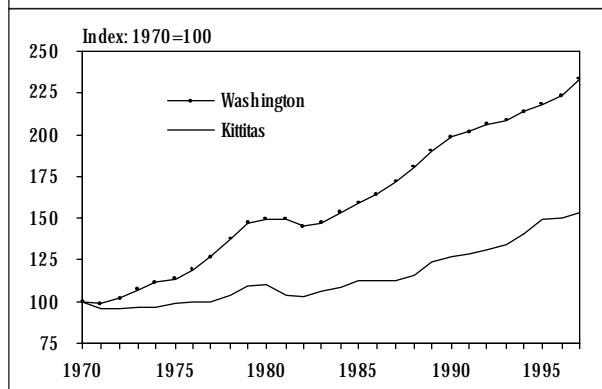


Figure 16
Nonagricultural Wage & Salary Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Location Quotients

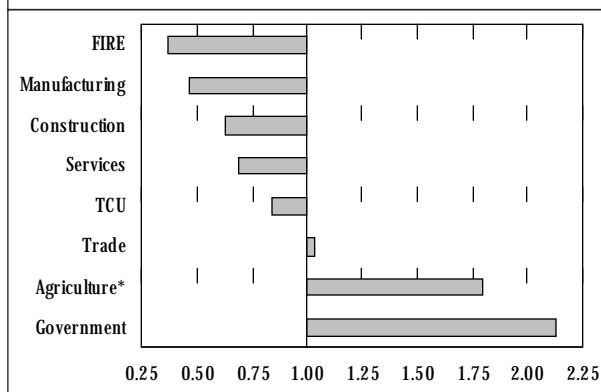
One way to determine how an area's economy is shaped is to compare it to another area. The following section shows how Kittitas County employment patterns both differ from and coincide with Washington State's. When comparing an industry's share of all employment at the county level to the same industry's share at the state-wide level, it becomes apparent that some county employment is distributed differently than statewide employment. The location quotient compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

The quotient is determined by dividing the statewide industry employment share into the county industry share. A quotient of 1.0 denotes an industry in which the county is typical to the state as a whole; a value above 1.0 shows an industry with a higher concentration of employment; and a value below 1.0 marks a county industry with a lesser concentration of employment than in the same industry statewide.

A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above or below 1.0, the stronger the suggestion of exporting or importing becomes.

Figure 17 shows the 1997 location quotients of the major industry sectors in the county (*agriculture is from 1996 ES-202 covered employment data*). This portrait shows strong differences between Kittitas County and the state. The finance, insurance, and real estate sector (FIRE) has the lowest location quotient, 0.36; county

Figure 17
Location Quotients
Kittitas County, 1997
Source: Employment Security Department



**All data are 1997 CES except Agriculture, which is 1996 covered employment*

residents obviously travel outside the area to obtain the sector's services. Services (0.69), construction (0.63), transportation, communication, and utilities (0.84), and especially manufacturing (0.47) are all quite a bit below the 1.0 mark.

The trade sector is somewhat above the statewide employment concentration level, agriculture is significantly above it, of course, and government, at 2.13, has the largest quotient of any sector in the county. Employment at Central Washington University at Ellensburg, given the relatively small employment base of the county, drives up the quotient. The service provided by the government, a college education, is an export in the sense that students go to the area, "buy" an education, and take it with them when they leave.

Average Annual Wage

The annual average wage is derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 percent of all employment in the state is covered under the program. (*Note—all amounts here have been inflation adjusted to 1996 dollars.*) The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

The average inflation-adjusted wage (*see Figure 18 on the next page*) started declining in Kittitas County in 1978. Overall since 1970, it fell by 12 percent, going from \$21,350 to \$18,847 in 1996. It reached its peak in 1977 when it climbed to \$24,731.

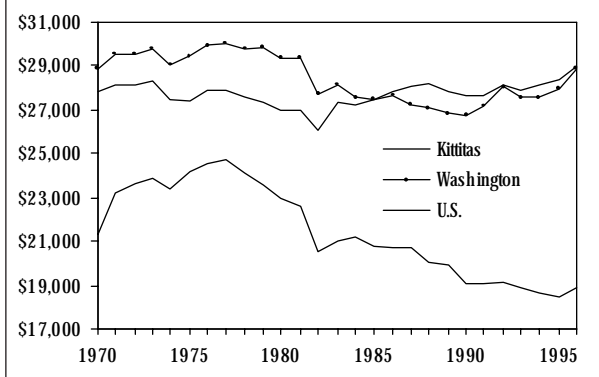
In comparison to the statewide average, the wage in Kittitas County has been quite low. For the last quarter-century, the difference between the two has averaged about \$7,000. In 1996, the difference between the two

was over \$10,000, the most it has ever been. (It should be noted, though, that average wage data are based upon business establishment location; wages paid outside the county to commuters from Kittitas are not counted in this tabulation.)

On a brighter note, the years-long downward spiral of the average real wage, in the nation, the state, and (maybe) the county, seems to have ended. The trend nationally and statewide turned up at the beginning of the 1990s. In Kittitas County, it may just have started. The average increased by almost \$400 from 1995 to 1996, the first real uptick since 1984. If county wages stay with the trend established by the state and the nation, they should continue to rise.

Figure 19 shows the average wage in 1996 for the major industry sectors and some specific industries in Kittitas County and their counterparts statewide. The wage in Kittitas County for all major industrial sectors is lower than their statewide counterparts. Bear in mind that the average wage does not necessarily represent the pay of a full-time, year-round worker. The wage is computed by

Figure 18
Average Annual Wage
Kittitas County, Washington, U.S., 1970-1996
Source: Employment Security Department



dividing the total paid wages by the average employment. High levels of part-time employment bring the average wage down, for a part-time job is counted exactly like a full-time job in the calculation.

Figure 19
Average Annual Wage
Kittitas County and Washington State, 1996
Source: Employment Security Department

	Kittitas	Washington		Kittitas	Washington
<i>Total</i>	\$18,847	\$28,883	Apparel & Accessory Stores	\$7,718	\$18,313
<i>Agriculture & Forestry</i>	\$12,718	\$14,510	Furniture & Home Furnish	\$13,560	\$21,826
Agricultural Production - Crops	\$12,339	\$11,381	Eating & Drinking Establ	\$8,246	\$9,991
Agricultural Prod - Livestock	\$13,990	\$18,451	Miscellaneous Retail	\$12,262	\$16,149
<i>Construction</i>	\$20,161	\$30,696	<i>Services</i>	\$12,487	\$28,074
General Building Contractors	\$19,159	\$29,435	Hotels & other Lodging Plcs	\$9,258	\$15,187
Heavy Construction Contractors	\$26,683	\$38,589	Personal Services	\$9,020	\$14,888
Special Trade Contractors	\$18,826	\$29,267	Business Services	\$18,228	\$41,857
<i>Manufacturing</i>	\$23,672	\$39,089	Auto Repair, Svcs, Garages	\$16,845	\$21,924
Lumber & Wood Products	\$25,424	\$32,797	Misc Repair Services	\$16,106	\$26,338
Printing & Publishing	\$13,562	\$28,524	Motion Pictures	\$25,667	\$13,559
Industrial Machinery & Equip	\$32,187	\$37,024	Amusement & Recr Services	\$6,321	\$17,403
<i>TCU</i>	\$27,662	\$35,880	Health Services	\$16,567	\$28,198
Trucking & Warehousing	\$24,904	\$27,321	Legal Services	\$18,667	\$37,336
Transportation Services	\$17,644	\$26,701	Educational Services	\$29,405	\$23,817
Communication	\$35,194	\$46,836	Social Services	\$11,715	\$14,915
Electric, Gas, & Sanitary Svcs	\$35,063	\$46,106	Musm/Art Gal/Bot/Zoo Gdn	\$6,079	\$17,213
<i>Trade</i>	\$13,017	\$20,643	Membership Organizations	\$11,711	\$19,181
<i>Wholesale Trade</i>	\$23,910	\$34,883	Engnr, Acctng, Rsch/Mgmt	\$20,368	\$41,061
Wholesale Trade - Durable	\$20,670	\$37,404	Private Households	\$8,027	\$8,835
Wholesale Trade - Nondurable	\$24,783	\$31,731	Miscellaneous Services	\$8,658	\$39,601
<i>Retail Trade</i>	\$11,648	\$16,081	<i>Government</i>	\$26,531	\$31,957
Building Materials & Gdn Suppl	\$14,325	\$21,993	Federal	\$34,413	\$39,649
General Merchandise Stores	\$14,623	\$18,103	State	\$28,836	\$32,276
Food Stores	\$15,441	\$18,117	Local	\$23,220	\$29,696
Auto Dealers & Service Stations	\$17,118	\$26,113			

Agriculture

One of the principal reasons for the difference in county versus state average covered wage is the higher proportion of seasonal agriculture employment locally. Agricultural jobs constitute 7 percent of the county's covered employment base, almost double the statewide average of 4 percent. Employment is concentrated in the production of tree fruits (mainly apples and pears), hay, potatoes, and beef cattle. Kittitas County is the largest producer of oats and hay in the state. *Figure 20* shows the details of crop, orchard, and livestock production in the county.

In 1996, employment in the sector registered 752, up from 685 the year before but down from 810 in 1994. Employment in agriculture will vary from year to year depending upon how well the crops do and what the markets are like.

Within this overall sector, the largest employing industry is crop production, including tree fruits and potatoes. The industry employed 563 persons in 1996, three-fourths of all sector employment. The average wage in the industry was \$12,339—lower than the overall sector's wage of \$12,718, whose average includes and is influenced by the higher wages of the livestock industry.

Figure 20
Agricultural Employment
Kittitas County, 1992, 1996, and 1997
Source: Employment Security Department

Crops - 1996	Acres Harvested	Average Yield	Total Production	Rank in State
Wheat, Spring (bu)	3,000	73.3	220,000	13
Oats for Grain (bu)	1,000	129	129,000	1
Potatoes (cwt)	1,000	355	355,000	11
Hay, Alfalfa (tons)	9,000	4.2	37,700	13
Hay, Other (tons)	39,600	4.7	185,400	1
Hay, All (tons)	48,600	4.6	223,100	4

Source: Washington Agricultural Statistics Service

Orchards - 1992	Number of Farms	Total Acres	Rank in State
Land in Orchards	45	1,342	11
Apples	42	1,095	10
Cherries, All	7	3	23
Pears	25	240	9
Plums & Prunes	5	2	14

Source: 1992 Census of Agriculture

Livestock Inventory	Number of Head	Rank in State
All Cattle (January 01, 1997)	58,500	5
Beef Cows (January 01, 1997)	19,700	4
Milk Cows (January 01, 1997)	900	21
Sheep & Lambs (January 01, 1997)	5,300	3
Hogs & Pigs (December 01, 1996)	300	14
Horses & Ponies (1992)	2,016	9

Source: Washington Agricultural Statistics Service, except for Horses & Ponies, which came from the 1992 Census of Agriculture

Construction

Construction has been on the upswing in Kittitas County for most of the 1990s, particularly residential construction, and this is reflected in levels of employment. The demand for housing is strong and is driving employment levels.

Figure 21 shows sector employment from 1970 through 1997. After falling precipitously from the peak year of 1970 (construction at Central Washington University), it see-sawed up and down through the 1970s. From 1984 through 1989, the employment level stagnated and declined. Since then, though, it has increased every year, rising from 1989's 200 to 420 in 1997. Since 1989, while statewide construction increased less than

3 percent a year, county construction employment swelled by almost 10 percent each year. Figure 22 shows the employment indexed to 1970=100 and compares the county's sector to the statewide sector.

Employment in the construction industry is divided into three sectors: general building, heavy construction, and the special trades. In Kittitas County, most employment is concentrated in general building (primarily single-family residences) and special trades, which include electricians, painters, plumbers, etc. The average wage for construction in 1996 was significantly lower in the county than it was for statewide construction: \$20,161 versus \$30,696.

Figure 21
Construction Employment
Kittitas County, 1970-1997
Source: Employment Security Department

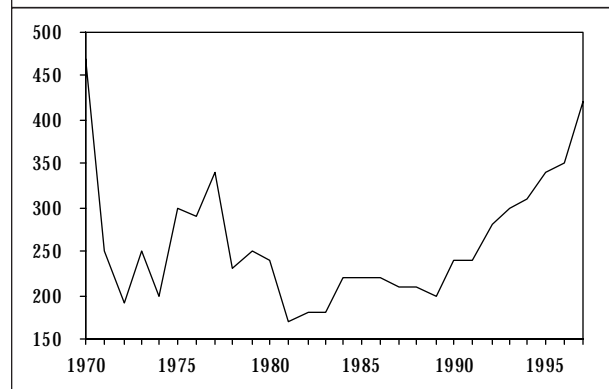
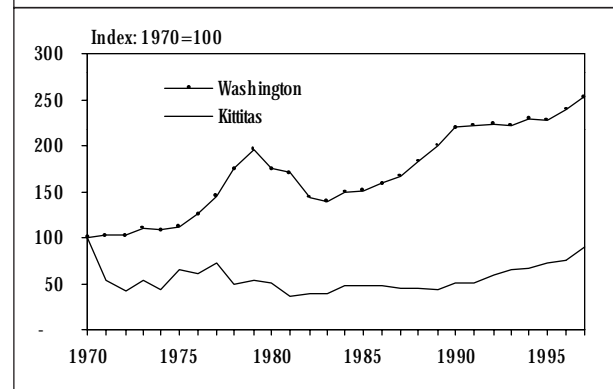


Figure 22
Construction Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Manufacturing

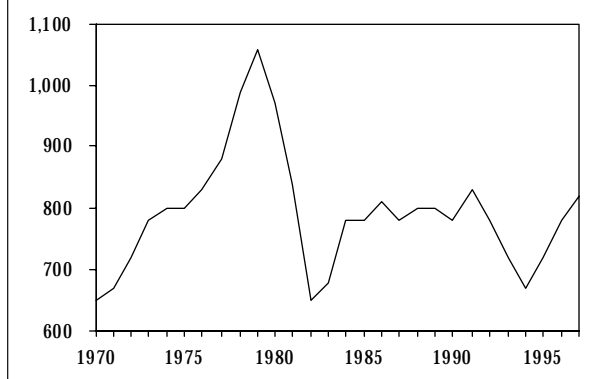
Manufacturing in Kittitas County today is dominated by food processing (frozen fruit and vegetables), by far the largest industry in terms of employment. Lumber and wood products, primarily logging, is the second largest industry, but has less than half the number of workers.

Overall, the manufacturing sector grew strongly through most of the 1970s, peaking in 1979 with 1,060 workers (see Figures 23 and 24 on the next page). The "double-dip" national recessions of 1980 and 1981-82 disastrously affected employment. During those three years, manufacturing lost 410 jobs (almost 90 percent of the county's entire job loss during the period) and only partially recovered afterward. The op-

timistic first two years of recovery were followed by flatness and then decline in 1992 through 1994. Though not quite as low as 1982 (when there were 650 manufacturing workers), employment fell to 670 in 1994. However, employment has increased every year since, and the yearly gains have all been strong. Total manufacturing jobs stood at 820 in 1997.

The average wage in manufacturing in 1996 was \$23,672, quite a bit more than the county's overall average wage of \$18,847. When compared to the statewide average for manufacturing of \$39,089, though, it is significantly less. Figure 25 shows covered manufacturing employment by month for 1996. The high degree of sea-

Figure 23
Manufacturing Employment
Kittitas County, 1970-1997
Source: Employment Security Department



sonality—employment will double and then recede by half over the course of the year—is a contributing factor to the lower average wage. Another factor, of course, is that the statewide wage is driven by the well-paid aerospace and high tech industries of Puget Sound.

Figure 24
Manufacturing Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department

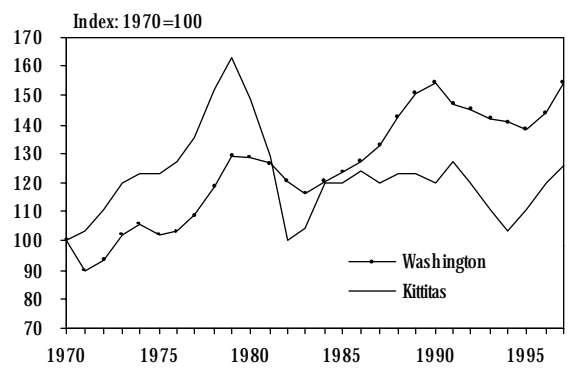
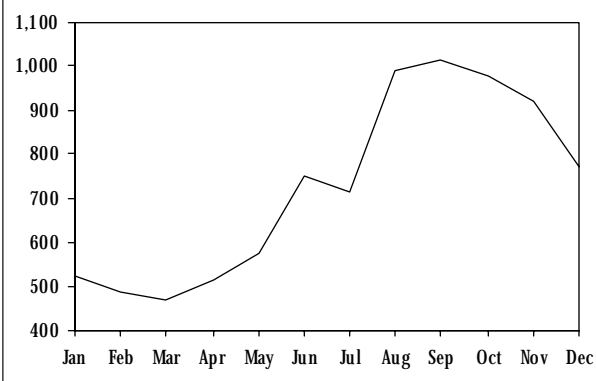


Figure 25
Manufacturing Covered Employment
Kittitas County, 1996
Source: Employment Security Department



Transportation, Communications, and Utilities (TCU)

The number of TCU workers in both 1996 and 1997 (530) equaled the peak of 1973 (see *Figure 26 on the next page*). There have been large fluctuations during the 1970-97 period but overall, the total increase was but 100 workers, a 23 percent increase. Statewide, the sector grew by 84 percent. *Figure 27* shows the employment growth rates of both the county and the state.

With over 200 workers, trucking and warehousing is the largest industry in the sector. Communications, mainly

telephone services, is next largest with about 130 jobs, and the other industries have significantly fewer workers. At \$26,662, the average wage for the sector is the highest of all industry sectors in the county. Wages in utilities (i.e., communications and electric, gas, and sanitary services) were exceptionally high by county standards and drove up the sector's overall average.

Figure 26
TCU Employment
Kittitas County, 1970-1997
Source: Employment Security Department

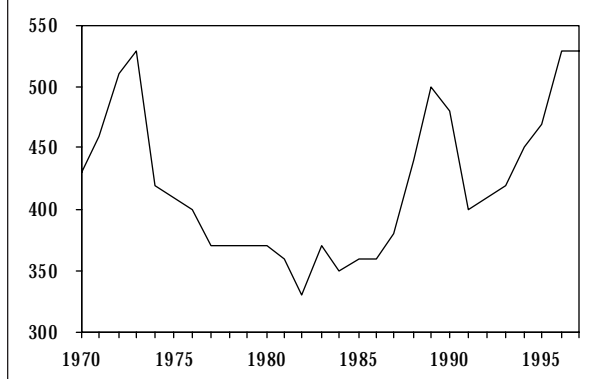
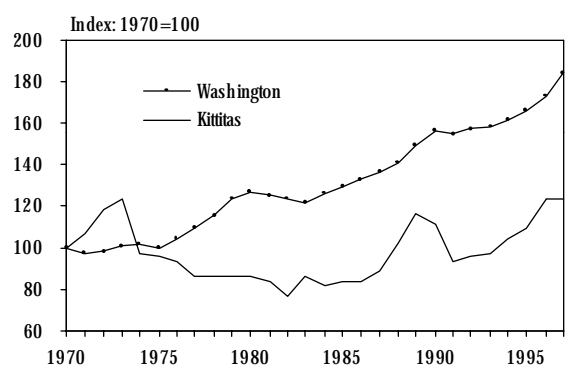


Figure 27
TCU Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Trade

Except for government, trade is the largest employing sector in the county. In 1997, it employed 3,140 workers. This was a 78 percent increase over 1970 employment levels, making trade, after services, the second fastest growing sector in Kittitas County (see Figures 28 and 29).

Trade employment increased greatly beginning in 1989 in conjunction with the population growth mentioned earlier. In fact, from 1970 to 1988, growth averaged 1.6 percent annually producing a total of 560 new jobs; from 1988 to 1997, it averaged 5.6 percent annually, producing over a thousand new jobs. The number of jobs dropped by about 100 in 1996 but inched back up in 1997 (the 1996 losses were mainly in eat-

ing and drinking places). The average wage for all of trade was \$13,017 in 1996, only two-thirds of the statewide average. (Trade employment is characterized by high levels of part-time employment, which lowers the average wage.)

The standard division of trade is into its wholesale and retail components. In general, wholesale trade employs fewer people but pays higher wages. This is true in Kittitas County. Wholesale trade accounted for about 11 percent of all trade employment in 1996—about 350 workers—and paid an average wage of \$23,910.

Within wholesale trade, the nondurable goods industry is the largest. Primarily concerned with the sale of farm and ranch products, the industry employed 270

Figure 28
Trade Employment
Kittitas County, 1970-1997
Source: Employment Security Department

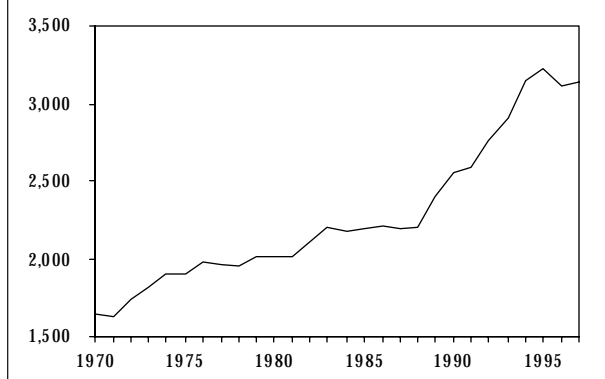
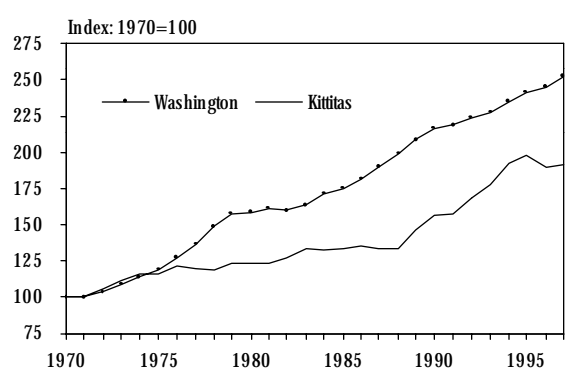


Figure 29
Trade Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



persons in 1996, paying an average wage of \$24,783—the highest of any Kittitas County trade industry.

Retail trade, as mentioned earlier, is much larger than wholesale trade. Accounting for 89 percent of trade employment, it also constitutes one-fourth of all employment in the county. Its wages, influenced by large amounts of part-time work, are quite low compared to other industries. In 1996, the retail trade wage averaged \$11,648. Statewide, it averaged \$16,081.

The largest employers in retail trade, in 1996, were eating and drinking places (by far the largest, with almost half of retail employment), food stores, and auto dealers and service stations. Note that wages (\$8,246) for eating and drinking places, a very large employer, are lower than the trade average and much lower than the overall county average wage of \$18,847. Tip income, which is not figured into the wage data, is a significant addition in this sector.

Finance, Insurance, and Real Estate (FIRE)

The FIRE sector in Kittitas County largely consists of depository institutions and real estate operators and agents. Employment in this sector, at 230 in 1997, is somewhat higher than the historical average of around 200. However, trends are difficult to detect or validate because of the relatively small numbers involved. Al-

most half of sector employment is related to depository institutions, a lesser amount in real estate, and an even smaller amount in insurance. Wage and specific employment data in this sector have been suppressed for confidentiality reasons.

Figure 30
Finance, Insurance, Real Estate Employment
Kittitas County, 1970-1997
Source: Employment Security Department

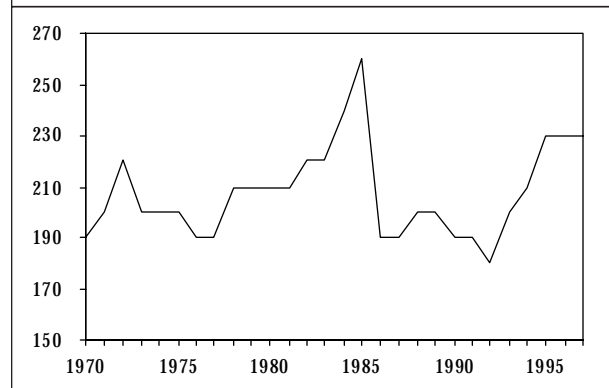
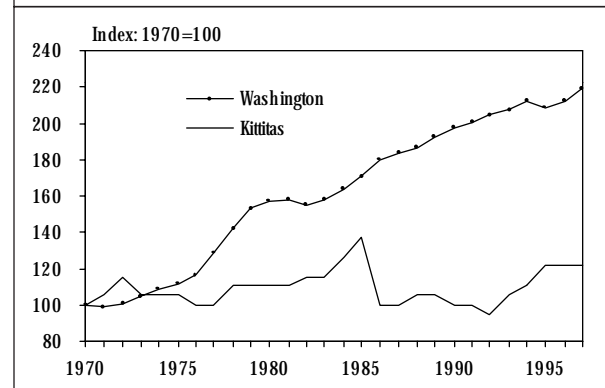


Figure 31
Finance, Insurance, Real Estate Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Services

Services run the industrial gamut from auto repair to health and legal services. It includes hotels and lodging places and amusement and recreation services, as well as engineering and architectural services.

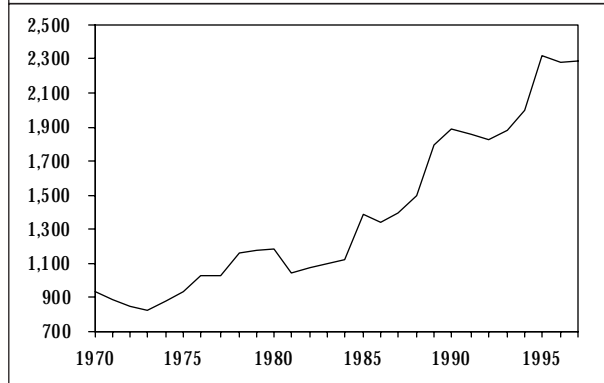
Services employment started expanding rapidly after 1984: the years 1970 to 1984 garnered only about 200 new jobs; but 1984 to 1997 brought an additional 1,200. Although the 1990-91 recession caused a drop, employment picked up again in 1993. During the last two years, employment has stabilized. Since 1970, it has grown

almost 150 percent, making it the fastest expanding sector in the county. Employment in 1997 was 2,290 (*see Figures 32 and 33 on the next page*).

Wages in services are low compared to some other sectors. Like trade, much of services employment is consistently of a part-time nature, and this employment pattern conspires to bring down the average wage. The annual average for services was \$12,487 in 1996.

Of the various industries within the services sector, amusement and recreation services employs the most

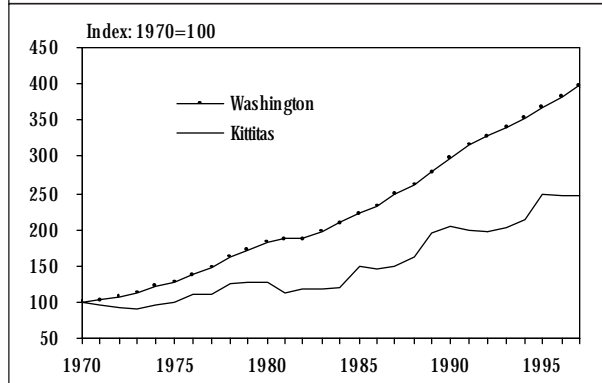
Figure 32
Services Employment
Kittitas County, 1970-1997
Source: Employment Security Department



workers. And it also probably has the most part-time workers. The majority are associated with the skiing business (instructors, lift operators, etc.) and only work from January through March. In 1996, the average annual wage was \$6,321, lowest of any industry with a substantial amount of workers in Kittitas County. In 1996, the industry employed 516 workers, a fourth of all services workers.

In terms of employment, health services is a close second in size. In 1996, the industry employed 494 work-

Figure 33
Services Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



ers, almost another fourth of services workers. The average wage, \$16,567, is lower than the county's overall wage: the largest amount of employment is at relatively low paying nursing care facilities.

Hotels and other lodging places also employ quite a large number of people; 214 in 1996. The average wage is relatively low, only \$9,258, and probably reflective of considerable part-time work. Social service workers are almost as numerous as hotel employees (191) but average higher wages (\$11,715).

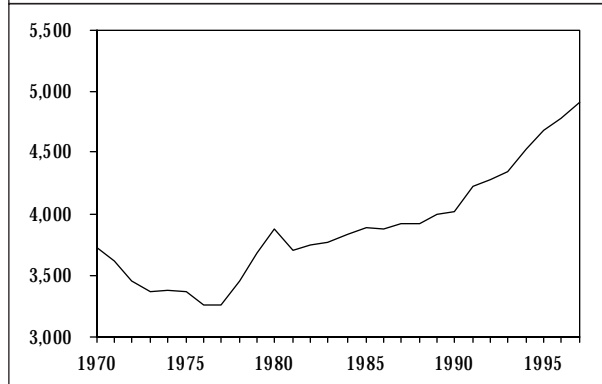
Government

As with many of Washington's less populated counties, government provides the true backbone of employment. And it is even more visible in Kittitas County because of the large number of jobs associated with the university at Ellensburg. In 1997, two of every five nonfarm jobs were with the government (at the federal, state, and local levels). Statewide, it's about one out of five. The government average wage was \$26,531 in 1996.

Even so, government growth has not been spectacular in Kittitas County. It increased 32 percent since 1970. And since the overall number of nonfarm workers has grown at a faster rate, the government's share of workers has fallen. In 1970, almost half of employment was with the government.

Within government, the largest component in 1996 was state government (half of the total, or 1,841 employees). This figure, of course, is primarily the result of Central Washington University. All its teachers, its maintenance workers, its clerical workers, etc., are state

Figure 34
Government Employment
Kittitas County, 1970-1997
Source: Employment Security Department

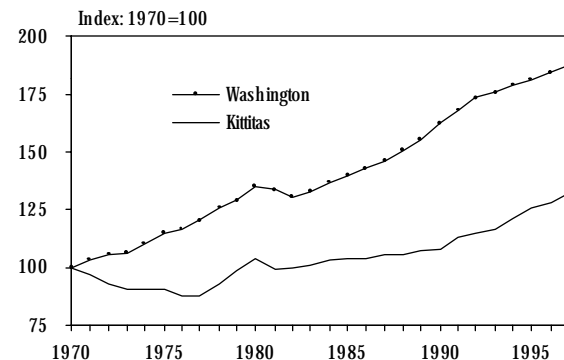


employees. The 1996 average wage for state government was \$28,836.

Local government runs a close second in number of employees. About 46 percent of the total, 1,689 workers, were employed by local governmental units in 1996. All public K-12 educators and staff are considered local government employees as well as the police, fire fighters, and local administrative and political functions. The average wage for local government was \$23,220 in 1996.

The federal presence is almost negligible, only 185 workers in 1996.

Figure 35
Government Employment
Kittitas County and Washington, 1970-1997
Source: Employment Security Department



Industry Projections

Trade, services, and government are the largest industry sectors in Kittitas County. They are also projected to be the fastest growing ones over the 1996-2001 period. Their pace should drive the county's overall growth rate at a faster clip than statewide. *Figure 36* lists 1996 employment estimates, 2001 projections, and the per-

centage and numeric change. The table also shows the changes in the statewide employment picture.

The county should average 2.6 percent growth annually. Services, however, should grow at a little over 4 percent each year while services and trade should come in at around 2.5 percent. In all, close to 1,700 new jobs are expected to materialize by 2001.

Figure 36
Industry Projections
Kittitas County and Washington, 1996 and 2001
Source: Employment Security Department

	Kittitas County					Washington	
	1996	2001	% Change	# Change	Ann Avg	% Change	Ann Avg
Total Nonfarm Employment	12,360	14,050	13.7%	1,690	2.6%	13.2%	2.5%
Manufacturing	740	770	4.1%	30	0.8%	7.3%	1.4%
Construction & Mining	330	360	9.1%	30	1.8%	8.2%	1.6%
Transportation & Utilities	520	550	5.8%	30	1.1%	8.2%	1.6%
Wholesale & Retail Trade	3,310	3,750	13.3%	440	2.5%	12.9%	2.5%
Finance, Ins. & Real Estate	230	240	4.3%	10	0.9%	9.1%	1.8%
Services	2,380	2,910	22.3%	530	4.1%	21.9%	4.0%
Government	4,850	5,470	12.8%	620	2.4%	9.5%	1.8%

OCCUPATIONAL PROFILE

Looking at the work force in terms of occupational divisions rather than industrial divisions gives a different perspective of employment. *Figure 37* shows employment in the major occupational divisions as well as the share of each grouping for the county and the state. These data are estimates made by Employment Security analysts.

Because of the large number of professional employees at the university, Kittitas County has a larger share of professional and paraprofessional occupations, and, overall, a larger share of "white-collar" jobs than statewide. The services occupations are also proportionally larger in the county, once again the university being the force behind it (e.g., the fast food restaurants catering to college students are all staffed with services jobs). Agricultural occupations, of course, are also over rep-

resented compared to the state. All other occupational groupings have lesser shares.

Projections for 2005, also shown in *Figure 37*, indicate the largest number of new jobs will be in the professional and services groupings. Both categories are large in size and both are projected to have strong growth rates over the period. Agriculture should have only a few new openings on average over the period and will be, by far, the slowest growing group.

Figure 38, on the next page, is a listing of occupations and their associated mean hourly wages. Although not specific to Kittitas County (it is an aggregate of occupations in several central Washington counties), it should give a fairly accurate picture of the approximate wage that the various occupations pay.

Figure 37
Occupational Employment and Projections
Kittitas County and Washington, 1995 and 2005
Source: Employment Security Department

	1995		Kittitas County 2005				Washington Share Sizes	
	Number	Share	Number	Share	% Chg	# Chg	1995	2005
Total	14,573	100%	19,350	100.0%	32.8%	4,777	100.0%	100.0%
Managerial & Administrative	999	6.9%	1,338	6.9%	33.9%	339	7.1%	7.3%
Professional, Paraprof., & Tech	3,417	23.5%	4,818	24.9%	41.0%	1,401	21.6%	23.2%
Marketing & Sales	1,334	9.2%	1,740	9.0%	30.4%	406	11.4%	11.4%
Clerical & Admin. Support	1,770	12.2%	2,291	11.8%	29.4%	521	16.0%	15.2%
Services	3,251	22.3%	4,404	22.8%	35.5%	1,153	15.7%	16.8%
Ag., Forestry, Fishing & Related	1,149	7.9%	1,176	6.1%	2.4%	27	4.3%	3.7%
Prec. Production, Craft, & Repair	1,310	9.0%	1,783	9.2%	36.1%	473	11.6%	10.9%
Operators, Fabricators, & Laborers	1,343	9.2%	1,800	9.3%	34.0%	457	12.2%	11.5%
White-Collar	10,771	73.9%	14,591	75.4%	35.5%	3,820	71.9%	73.8%
Blue-Collar	3,802	26.1%	4,759	24.6%	25.2%	957	28.1%	26.2%

Figure 38
Occupational Wages
Central Washington, 1995
Source: Employment Security Department

TITLE	MEAN WAGE	TITLE	MEAN WAGE
Accountant & Auditor	\$17.60	Dental Hygienist	\$26.64
Adjustment Clerk	\$12.15	Dentist	\$43.23
Administrative Service Manager	\$22.24	Designer, except Interior Design	\$16.23
Agricultural & Food Scientist	\$16.82	Dining Room, Cafeteria & Bartndr Help	\$5.94
Amusement & Recreation Attendant	\$7.41	Dispatcher, Police, Fire & Ambulance	\$15.59
Animal Caretaker, except Farm	\$7.77	Drafter	\$19.89
Artist & Related	\$14.18	Driver/Sales Worker	\$13.90
Assemble, Fabric, ex Mach, Elec, Prec	\$10.48	Drywall Installer	\$21.87
Automotive Body, Related Repairer	\$15.36	Education Administrator	\$27.43
Automotive Mechanic	\$11.45	Electrical & Electronic Engineer	\$24.57
Baker, Bread & Pastry	\$8.72	Electrical & Electronic Technician	\$14.11
Bank Teller	\$8.36	Electrician	\$20.15
Bartender	\$6.78	Emergency Medical Technician	\$15.67
Bicycle Repairer	\$7.46	Employment Interviewer, Private, Public	\$14.83
Bill & Account Collector	\$10.87	Excavating & Loading Machine Operator	\$15.62
Billing, Cost & Rate Clerk	\$10.51	Faller & Bucker	\$20.26
Biological Scientist	\$22.11	Farm Equipment Mechanic	\$12.43
Bookkeepng, Accounting & Auditing Clk	\$9.94	Farm Equipment Operator	\$10.65
Broker, Real Estate	\$26.62	Financial Manager	\$21.97
Bus & Truck Mech & Diesel Specialist	\$16.81	Fire Fighter	\$17.83
Bus Driver, except School	\$14.13	First Line Supervisor, Agr, Forest, Fish	\$14.43
Bus Driver, School	\$11.66	First Line Supervisor, Clerical	\$13.59
Butcher & Meat Cutter	\$12.77	First Line Supervisor, Constr & Extract	\$21.94
Cannery Worker	\$7.36	First Line Supervisor, Helpers, Laborer	\$12.20
Carpenter	\$15.14	First Line Supervisor, Mech & Repair	\$17.70
Carpet Installer	\$16.61	First Line Supervisor, Production	\$12.75
Cashier	\$6.96	First Line Supervisor, Sales & Related	\$12.49
Child Care Worker	\$7.43	First Line Supervisor, Transportation	\$14.94
Civil Engineer, including Traffic	\$23.32	Food Preparation Worker	\$7.68
Civil Engineering Technician	\$18.49	Food Service & Lodging Manager	\$11.41
Clergy	\$16.05	Forest & Conservation Worker	\$11.18
Combined Food Preparation & Service	\$6.05	Forester, Conservation Scientist	\$17.81
Communication, Transport, Utilities Mgr	\$20.22	General Manager & Top Executive	\$21.15
Comply Officer & Inspector, exc Const	\$14.79	General Office Clerk	\$9.25
Concrete & Terrazzo Finisher	\$16.26	Grader & Sorter, Agricultural Product	\$6.96
Construction Manager	\$18.52	Grader, Bulldozer & Scraper Operator	\$17.41
Cook, Fast Food	\$6.07	Guard & Watch Guard	\$7.67
Cook, Institution or Cafeteria	\$8.49	Hairdresser & Cosmetologist	\$8.06
Cook, Restaurant	\$8.44	Hand Packer & Packager	\$7.33
Cook, Short Order	\$8.03	Heat, A/C, Refrigeration Mech & Install	\$14.54
Counter & Rental Clerk	\$6.64	Helper, Carpenter & Related Worker	\$12.45
Counter Attendant, Lunchrm, Cafeteria	\$6.71	Helper, Mechanic & Repairer	\$10.44
Crush, Grind, Mix Machine Op/Tender	\$11.55	Highway Maintenance Worker	\$15.66
Dental Assistant	\$13.04	Home Health Aide	\$8.27

Figure 38
Occupational Wages
Central Washington, 1995
Source: Employment Security Department

TITLE	MEAN WAGE	TITLE	MEAN WAGE
Hotel Desk Clerk	\$6.50	Production Inspector, Grade, Sort, Test	\$11.30
Housekeeping Supervisor, Institutional	\$7.83	Property & Real Estate Manager	\$14.95
Human Service Worker	\$9.86	Pruner	\$11.00
Industrial Machinery Mechanics	\$12.85	Psychologist	\$21.68
Industrial Truck & Tractor Operator	\$11.26	Public Admin, Chief Exec & Legislator	\$12.42
Instructional Coordinator	\$17.01	Purchasing Manager	\$10.29
Instructor & Coach, Sport	\$12.06	Receptionist, Information Clerk	\$7.83
Instructor, Nonvocational Education	\$16.29	Recreation Worker	\$10.87
Insurance Sales Worker	\$18.69	Registered Nurse	\$17.44
Janitor & Cleaner, except Maid	\$8.68	Roofer	\$14.65
Laund, Dry-cln Mach Op/Tnd, exc Pres	\$7.44	Sales Agent, Advertising	\$15.11
Lawyer	\$33.04	Sales Rep, exc Retail, Sci, Related	\$11.72
Legal Secretary	\$14.80	Sales Rep, Science & Related, exc Retail	\$22.76
Library Assistant & Bookmobile Driver	\$9.22	Salesperson, Parts	\$10.82
Licensed Practical Nurse	\$10.91	Salesperson, Retail	\$7.51
Loan Officer & Counselor	\$16.52	Sawing Machine Operator/Tender	\$10.59
Logging Tractor Operator	\$15.48	Secretary, except Legal & Medical	\$10.96
Log-Handling Equipment Operator	\$15.34	Sewing Machine Operator, Nongarment	\$8.06
Machine Feeder & Offbearer	\$8.72	Social Work, exc Medical & Psychiatric	\$15.44
Machinist	\$14.51	Social Work, Medical & Psychiatric	\$16.58
Maid & Housekeeping Cleaner	\$7.24	Stenographer	\$15.16
Maintenance Repairer, General Utility	\$10.93	Stock Clerk, Sales Floor	\$8.23
Marketing, Advertising, Public Rel Mgr	\$24.61	Stock Clerk, Stockroom or Warehouse	\$9.54
Medical & Clinic Lab Technologist	\$18.31	Surveying & Mapping Technician	\$14.79
Medical Assistant	\$10.43	Switchboard Operator	\$10.63
Medical Records Technician	\$10.01	Teacher Aide & Educational Asst, Clerk	\$8.13
Medical Secretary	\$7.99	Teacher Aide, Paraprofessional	\$9.40
Medicine & Health Service Manager	\$16.36	Teacher, Elementary	\$21.39
Millwright	\$16.47	Teacher, Secondary School	\$22.41
Mobile Heavy Eq Mechanic, exc Engine	\$15.34	Teacher, Special Education	\$23.09
New Account Clerk	\$9.88	Teachers, Kindergarten	\$20.07
Nursing Aide, Orderly & Attendant	\$8.60	Tire Repairer & Changer	\$9.14
Operating Engineer	\$19.28	Traffic, Shipping & Receiving Clerk	\$9.48
Packaging & Filling Machine Op/Tend	\$9.65	Truck Driver, Heavy or Tractor-Trailer	\$12.54
Painter & Paperhanger, Constr & Maint	\$12.14	Truck Driver, Light, incl Delivery & Rel	\$13.83
Paving, Surfacing, Tamping Equip Opr	\$17.09	Typist, including Word Processing	\$6.74
Personal Home Care Aide	\$8.49	Vehicle Washer & Equipment Cleaner	\$9.26
Personnel, Train & Labor Relation Mgr	\$18.34	Vocational & Educational, Counselor	\$18.23
Pharmacist	\$29.65	Waiter & Waitress	\$5.64
Physician & Surgeon	\$46.46	Water, Liquid Waste Treat Plant, Sys Op	\$16.52
Pipelayer	\$16.78	Welder & Cutter	\$13.35
Plumber, Pipefitter, Steamfitter	\$21.21	Welfare Eligibility Worker, Interviewer	\$16.70
Police Patrol Officer	\$20.11	Wholesale, Retail Buyer, except Farm	\$14.31
Postal Mail Carrier	\$13.33	Writer & Editor	\$21.13

INCOME

This section deals with income rather than wages only, which were discussed earlier and which are only one aspect of income. Data in this section are derived from

the U.S. Department of Commerce, Bureau of Economic Analysis. All income data in this section have been adjusted to 1995 dollars.

Personal Income

Personal income is generally seen as an important indicator of a region's economic vitality. Conceptually, personal income captures all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent are all included in this measure. Because business and corporate incomes are not included, it is considered personal income.

Inflation-adjusted personal income in Kittitas County grew from \$290 million in 1970 to \$534 million in 1995. This 84 percent growth equated to an average of 2.5 percent annually. As *Figure 39* shows, growth has been fairly constant and moderate with declines occurring in conjunction with national recessions. The most recent recession (1990-91) only slowed growth; it did not cause a decline. There was a sharp uptick in 1992 followed by relatively good growth every year since. In 1995, Kittitas personal income ranked 26th among the state's 39 counties.

Dividing the total personal income of an area by the population yields personal per capita income. Per capita income is a useful measurement; it gives a common denominator between income (growth or decline) and population (growth or decline) so that comparisons can be made between different areas or time periods with unlike populations and incomes.

Figure 40 shows per capita personal income for Kittitas County, Washington, and the United States. In 1995, Kittitas had a per capita income of \$17,652. This ranked 29th in the state and was 74 percent of the state average (\$23,709). Although quite a bit lower than the state, the county per capita income has grown only slightly less than the state's over the last two decades (53 percent versus 55 percent). However, the bulk of the increase in Kittitas County came during the 1970s. From 1970 to 1980, per capita income increased about \$4,800; from 1980 to 1995, it grew by only \$1,400.

Figure 39
Personal Income
Kittitas County and Washington, 1970-1995
Source: Bureau of Economic Analysis

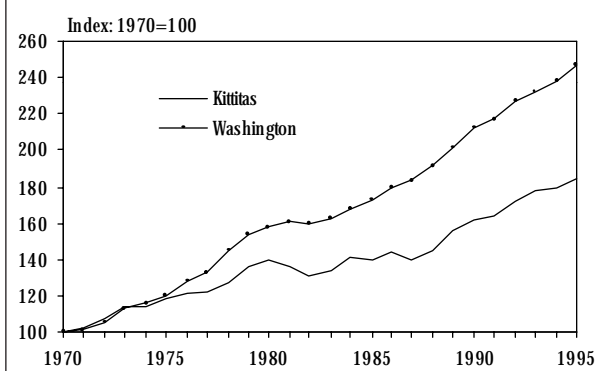
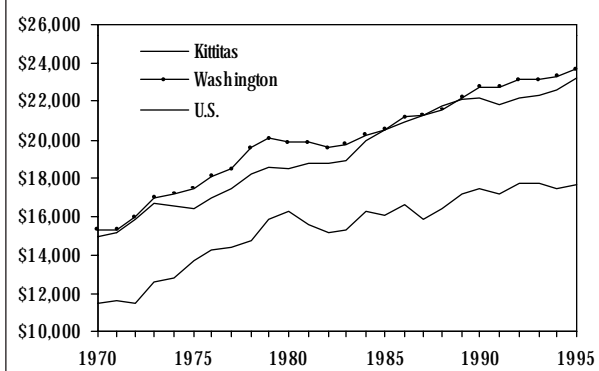


Figure 40
Per Capita Income
Kittitas County, Washington, U.S., 1970-1995
Source: Bureau of Economic Analysis



Components of Personal Income

As mentioned earlier, personal income encompasses many different types of income. All the various types, however, can be subsumed under the three broad categories of earnings, transfer payments, and investment income. Earnings include wages and salaries, proprietors' income, and other labor income; transfer payments include income maintenance, unemployment insurance, and retirement payments; investment income consists of interest, dividends, and rent. *Figure 41* shows how these components of personal income have changed over time and *Figure 42* shows the size of each in 1995.

The interesting aspect is that, although earnings has been, and undoubtedly will continue to be, the major

source of personal income, its share of all income has diminished significantly. In 1970, earnings constituted 73 percent of all income; in 1995, 57 percent. The biggest encroachment into earnings was from transfer payments. That category went from 12 percent to 22 percent. Investment income also grew; from 17 percent to 21 percent.

A significant shift has occurred, and perhaps is still occurring, in the sources of income in Kittitas County. More and more income is being derived from sources that are not earnings. The same shift is occurring statewide.

Figure 41
Changes in Personal Income Components
Kittitas County, 1970-1995
Source: Bureau of Economic Analysis

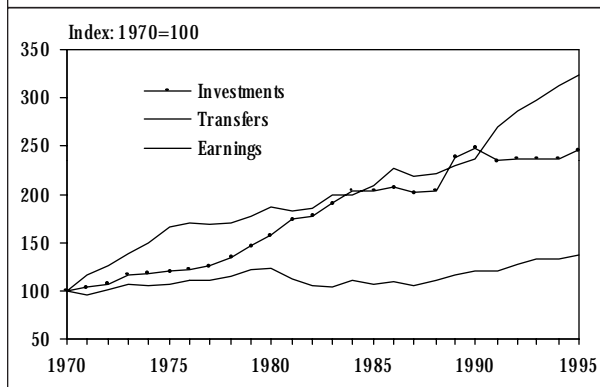
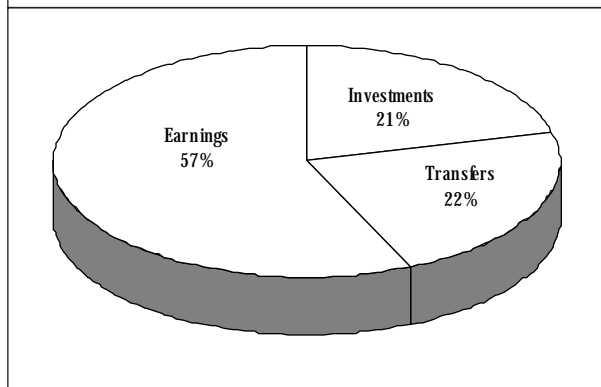


Figure 42
Components of Personal Income
Kittitas County, 1995
Source: Bureau of Economic Analysis



Earned Income

The largest portion of personal income is earned income. Although its percentage of the total has diminished over the last two decades, it, nevertheless, retains the lion's share of all income. This component of personal income is an important reflection of an area's economy because it shows how much income people derive directly from their jobs. (These data are based on place of work rather than residence—earnings derived from sources outside the county are not included here.)

In 1970, earnings in Kittitas County amounted to \$223 million; in 1995, \$304 million. This was a 36 percent increase over 25 years, not spectacular when compared to total personal income, which increased 84 percent during that time.

Earnings includes wages and salaries, proprietors' income, and what is called "other labor income." (Other labor income subsumes an assortment of incomes but primarily consists of employer payments into employee pension and health care plans.)

Within the category of earnings, wages and salaries is the largest of the three components. Its share size of the three has decreased from 76 to 73 percent since 1970. Proprietors' income, the second largest component, decreased, but only slightly, from 21 to 18 percent. The gainer was "other labor income." Its share almost trebled, going from 3 to 8 percent of the total and is reflective of the increased costs of employee benefits, primarily health care.

Figure 43
Changes in Earned Income Components
Kittitas County, 1970-1995
Source: Bureau of Economic Analysis

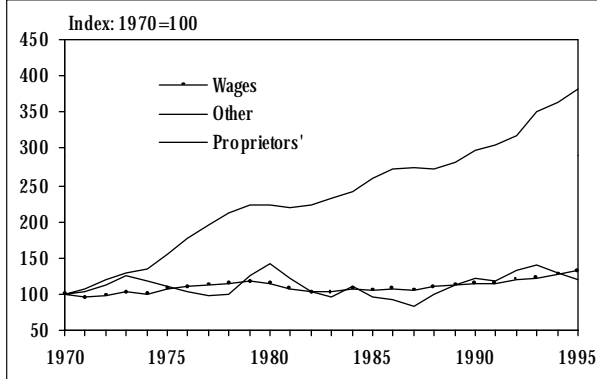
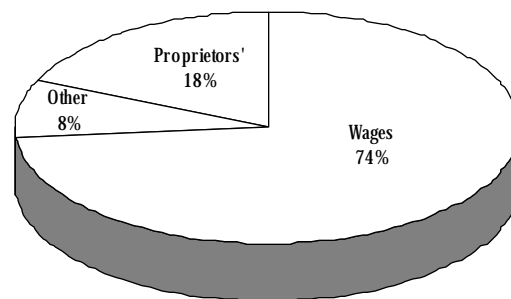


Figure 44
Components of Earned Income
Kittitas County, 1995
Source: Bureau of Economic Analysis



Transfer Payments

The next source of personal income, second in size after earnings, is transfer payments. A transfer payment is generally seen as a payment by the government to someone from whom no immediate service is rendered.

Since 1970, transfer payments grew by 225 percent (quite dramatic when compared to the 36 percent growth in earned income). As mentioned earlier, these payments now account for 1 out of every 5 dollars of all personal income.

Transfer payments are split into three categories: retirement and related; income maintenance; and unemployment insurance. By far the largest component of transfer payments is retirement related. This includes

social security payments, medicare payments, federal civilian and military retirement pay, and state and local government retirement pay. *Figures 45 and 46* show the various components of transfer payments and their growth since 1970. In Kittitas County the retirement and related component makes up the bulk of transfer payments—in 1995 it amounted to \$120 million, or 85 percent of all transfer payments. In fact, the retirement related transfer payments make up 19 percent of the county's total personal income. The amount has increased a whopping 259 percent since 1970.

The second component of transfer payments, unemployment insurance, amounted to \$9 million in 1995,

Figure 45
Changes in Transfer Payments Components
Kittitas County, 1970-1995
Source: Bureau of Economic Analysis

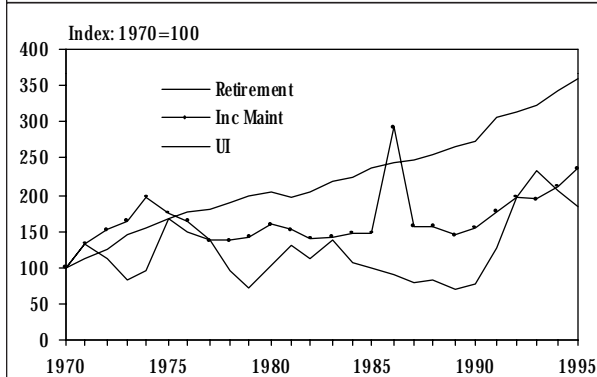
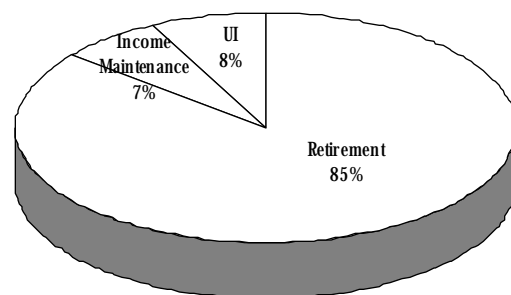


Figure 46
Components of Transfer Payments
Kittitas County, 1995
Source: Bureau of Economic Analysis



about 8 percent of the all transfer payments. It was the slowest growing transfer payment since 1970, growing by only 83 percent. UI payments are, naturally, directly related to changes in the economy; payments increase as unemployment increases and vice versa.

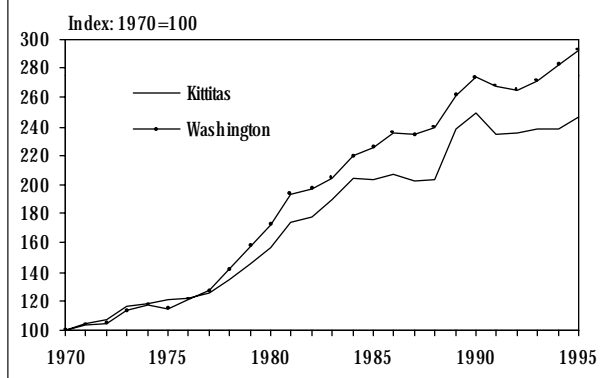
Income maintenance includes Aid to Families with Dependent Children (AFDC), general assistance, food stamps, and other transfers generally thought of as welfare. This component amounted to \$8 million in 1995, about 6 percent of all transfer payments. It has increased 136 percent since 1970.

Dividends, Interest, and Rent

These types of income (collectively called investment income), are the prime examples of making money with money. Money which has been used to purchase stocks, bonds, or which resides in bank accounts, or has been loaned, or which was used to purchase rental properties, can return a profit. No service or work is performed, yet income is derived from the invested money.

Investment income was almost \$112 million in 1995, an increase of 147 percent since 1970. It accounted for 21 percent of all county income in 1995, its share size up considerably from the 15 percent it registered in 1970. The amount of investment income hit a high point in 1990 and has been essentially flat until the uptick of 1995. The importance of investment income (as measured by its share of all income) became pronounced in 1981 when the actual dollar amount of earned income began decreasing and investment income continued growing.

Figure 47
Investment Income
Kittitas County and Washington, 1970-1995
Source: Bureau of Economic Analysis



JOB TRAINING AND ECONOMIC DEVELOPMENT

Job Training

The Job Training Partnership Act (JTPA) of 1982 established programs to prepare youth and unskilled adults for entry into the labor force. Emphasis is placed on economically disadvantaged individuals and others who face serious barriers to employment. It is on this legislation that the Employment Security Department and other providers base their job service programs.

Operated by the Employment Security Department, the **Ellensburg Job Service Center (JSC)** provides employment assistance to the residents of Kittitas County. It is a full-service center offering the entire range of employment services programs available anywhere in the state. Provided below is a brief description of some of those programs.

The Ellensburg JSC administers the *Jobs, Opportunities and Basic Skills (JOBS)* program along with the Department of Social and Health Services (DSHS). The program's goal is to make those on public assistance self-sufficient through employment. Services include job planning and counseling, case management, childcare assistance, educational and vocational training, and job placement.

The JSC also administers the *Claimant Placement Program (CPP)*. The main service of this program is to speed the return to work of unemployment insurance applicants. This shortens the duration of unemployment for the individual and saves costs to the trust fund for unemployment insurance.

Unemployment Insurance, administered by all JSCs, provides temporary financial assistance to eligible unemployed individuals who are able, available, and ac-

tively seeking work, or who are in approved training programs. A veteran's representative is also available at the Ellensburg JSC to provide counseling, job placement and referrals to members of that group.

Another major provider of job services in Kittitas County is the *Tri-Valley Consortium*. Composed of government and business leaders, the consortium has jurisdiction over JTPA Service Delivery Area IX, which includes Kittitas as well as Yakima and Klickitat counties. Yakima County Department of Employment and Training handles the administrative responsibilities, with executive oversight provided by the Tri-Valley Private Industry Council.

Educational Institutions. Founded in 1890, Central Washington University in Ellensburg is the only four-year educational institution in Kittitas County. The university also offers extension courses for junior- and senior-level students at three Puget Sound campuses; Pierce College, South Seattle Community College, and Edmonds College. During the 1997-98 academic year, the university averaged 8,286 full- and part-time students. Though it offers degrees in a wide range of academic and professional disciplines, it is particularly noted for programs in education, the physical sciences, resource management, and geography and land studies.

There are no two-year community colleges or vocational schools in Kittitas County. The county, however, is within the service area of Yakima Valley College. Located 36 miles south of Ellensburg in the city of Yakima, the state-supported community college offers a variety of academic and vocational courses.

Economic Development

Phoenix Economic Development Group (Phoenix Group) is appointed by Kittitas County Commissioners to contract with the state of Washington to

provide economic development services for Kittitas County. Phoenix Group is a cooperative public/private nonprofit association established for the purposes of

(a) improving the business and industrial environment of Kittitas County and (b) enhancing the income and employment stability of those who live in that area. It is engaged in activities designed to encourage diversification and the development of a strong economic base, working with business in a manner that is compatible with the region's people, governmental jurisdictions, and environmental standards.

Phoenix Group administers the Kittitas County Business Retention and Expansion effort in a co-county partnership with Yakima County Development Association.

Phoenix Group provides information, a resource base, and assistance for retention, expansion, and recruitment of business within Kittitas County. Board participation committees serve as working task force groups and consist of, but are not limited to:

- Business Retention and Expansion
- Commercial Real Estate
- Education and Research
- Government Liaison
- Organization Recruitment

The Phoenix Group and the Ellensburg Business Development Authority are partnered in overall economic development within Kittitas County. They work closely with Ki-Yak and the Chamber(s) of Commerce as well as city and county governmental agencies.

The **Ellensburg Business Incubator** is a component of local economic development efforts, designed to meet the needs of small business. Operating out of a 10,244 square foot facility, the incubator offers a wide range of support services. These services include business advisory services contracted with Central Washington University and the Kittitas County S.C.O.R.E. Chapter, business plan development, loan packaging, management counseling, business seminars and workshops, legal and accounting advice, financial management, product evaluation, and assistance with government regulations and labor issues. Management of the incubator is handled by the Ellensburg Business Development Authority. EBDA has established a Micro Loan fund for use by local businesses and also provides counseling to small businesses not participating in the incubator.

The **Kittitas-Yakima Resource Conservation and Economic Development District (Ki-Yak)** serves both Kittitas and Yakima counties. It is a locally based public agency that executes two Federal programs: the U.S. Department of Agriculture Resource Conservation and Development (RC&D) program and the U.S. Department of Commerce Economic Development Administration (EDA) program. The RC&D program stresses land

conservation, community development, water management, and environmental concerns. The EDA performs two basic functions: developing of regional long-range strategies for economic growth and assisting in implementation of those strategies.

More specifically, Ki-Yak will develop programs (or identify existing programs) to:

- Assist with the planning and development of the region's increasing infrastructure requirements.
- Provide Technical Assistance to communities and nonprofits to plan and implement economic and/or community development projects.
- Provide links to program resources for business and industry which create increased investment, economic diversification, quality family wage jobs, and enhanced public revenues.
- Build public, private, and tribal partnerships.
- Provide technical assistance, education and training which supports conservation based land use practices and protection of the region's natural resources.

Chamber of Commerce. The Ellensburg Chamber of Commerce is another of Kittitas County's economic development organizations. It is composed of business owners and other interested individuals who work together to further the business interests of their communities.

Infrastructure. An area's infrastructure can be a significant factor of economic development. A major assist for Kittitas County is U.S. Interstate 90. Running centrally through the entire east-west length of the county, it provides a route westward to Puget Sound and eastward to Spokane. At Ellensburg, commuters can switch from Interstate 90 to U.S. Interstate 82 and travel south to the city of Yakima. U.S. Route 97, when used to enter Kittitas County from the north, intersects Interstate 90 near Ellensburg.

Air service is provided out of Bowers Field in Ellensburg (5,840-foot and 4,300-foot asphalt runways) and at the Cle Elum Municipal Airport (2,452-foot asphalt runway). There are no scheduled commercial carriers at either site. A full-service, commercial airport is in nearby Yakima.

Washington Central Railroad provides rail service to the county. Service from Ellensburg to Yakima is regularly scheduled and service from Cle Elum to Yakima is provided upon request. Typical cargoes are hay, frozen foods, grain, and wood.

SUMMARY

Kittitas County, even though it has a rural, natural resource driven heritage, has sharply moved away from total reliance upon that realm and is diversifying into a number of different areas. The most significant aspects of its economy today are a dramatic increase in population, large services, trade, and government sectors, and an unemployment rate at its lowest level since at least 1970.

The natural resource based industries continue to provide important employment and remain a vital part of the local economy. Agriculture in the rich Kittitas Valley is thriving. Its employment accounts for 7 percent of all covered employment. The manufacturing sector is also driven by the local natural resource base. Greatest employment is found in food processing, followed by lumber and wood products. Altogether, manufacturing employs over 800 workers, its highest level since 1991.

Services and trade, combined, accounted for 44 percent of nonagricultural employment in Kittitas County in 1997. The bulk of these 5,430 workers were employed in relatively low-paying industries, though, such as restaurants, food stores, tourist and recreation related occupations, etc. The average wage in the trade sector was \$13,017 in 1996; in services, \$12,487.

The county's strongest industry, by far, is government. It provides a stability to Kittitas County that comes from a large number of relatively secure, relatively well-paid jobs. The sector employed 4,920 people in 1997, 40 percent of all nonfarm jobs (government's share state-

wide is 19 percent). Central Washington University at Ellensburg is the institution that bulges the county's government sector: throughout Washington, jobs at the state-government level account for one-fourth of government employment; in Kittitas County they account for almost one-half. In 1996, the average wage for government workers (federal, state, and local levels) was \$26,531; the average wage for all jobs in the county was \$18,847.

Unemployment, which has traditionally been a significant problem in the county, declined sharply in recent years. At 6.0 percent in 1997, the rate is less than half of what it was in 1992. Although there have been dramatic gains in population and in-migration, the newcomers have been able to find jobs. There has been relatively good job growth in the county itself, and a considerable number commute outside the county, mainly to Seattle. Even so, the lower rate comes at a time when the statewide rate is even lower (4.8 percent) and in neighboring King County even lower yet (3.3 percent). Consequently, Kittitas County remains on the list of "distressed" counties even though its unemployment situation has brightened considerably.

Over the 1996-2001 period, nonfarm employment is projected to increase at an annualized rate of about 2.6 percent, a rate slightly higher than that of the state as a whole. The trade, services, and government sectors will not only have the most job growth (because they are the largest sectors), they will also be the fastest growing sectors.